

Message Text

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PAGE 01 SAIGON 09089 160631Z

11

ACTION SS-30

INFO OCT-01 ISO-00 /031 W

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R 160506Z JUL 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 6811

C O N F I D E N T I A L SAIGON 9089

EXDIS

EYES ONLY FOR AMBASSADOR MARTIN THRU SPRINGSTEEN (S/S)

EO 11652: GDS

TAGS: MASS VS

SUBJECT: FY 75 MASF PROGRAM FOR VIETNAM

FOLLOWING SENT ACTION SECDEF WASHDC, CJCS WASHDC INFO CINCPAC,
COMUSSAG NKP THAI FROM AMEMBASSY SAIGON JULY 10, 1974 REPEATED
FOR YOU. QUOTE:

SPECAT EXCLUSIVE FOR THE SECRETARY AND THE CHAIRMAN, JCS

SUBJECT: FY 75 MASF PROGRAM FOR VIET-NAM

REF: A. SECDEF 021630Z JUL 74

B. SECDEF 252238Z JAN 74

C. CINCPAC 040436Z JUL 74

D. SAIGON 8684 (DTG 010850Z JUL 74)

E. SAIGON 4468 (DTG 080535Z APR 74)

1. I COULD NOT HAVE ASKED FOR A MORE PERFECT EXAMPLE THAN WAS
PROVIDED BY REF A OF THE CONCLUSION I RECORDED PARA 2, REF D,
THAT PUTTING THE ADMINISTRATION OF THE FY 75 MASF PROGRAM IN DSAA
AND REVERTING TO MAP PROCEDURES (NOT REQUIRED IN FY 75) "WILL NOT
PROVIDE THE KIND OF EFFICIENT FLEXIBLE AND ACCURATE ACCOUNTING
AND SENSIBLE PROGRAM MANAGEMENT THE CONGRESS HAS PUT US ON
NOTICE IT WILL DEMAND."

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2. I HAVE BEEN QUITE AWARE THAT THE RVN MASF PROGRAM HAS BEEN

RAIDED FROM TIME TO TIME TO MEET OTHER DOD EMERGENCY REQUIREMENTS. AS I SAID IN REF E, THE MARVELOUS FLEXIBILITY DEVELOPED BY THE DOD COMPTROLLERS HAS SERVED THE NATIONAL INTERESTS ON MANY OCCASIONS. BUT IT IS SIMPLY GOING TOO FAR TO NOTIFY US AFTER THE FY 74 PROGRAM ENDED ON JUNE 30 THAT VNAF F-5E CONTRACT WAS RESTRUCTURED TO DEOBLIGATE FUNDS IN THE AMOUNT OF \$77.4 MILLION, SAYING THE REASON WAS TO STAY WITHIN MASF CEILING OF \$1,126 MILLION (THIS CEILING WAS FOR LAOS AS WELL AS RVN).

3. THIS IS TOTALLY UNACCEPTABLE, AND I SUGGEST WE WALK IT BACK TO THE STATUS QUO ANTE BEFORE ALL HELL BREAKS LOOSE ON THE HILL. DAO RECORDS SHOW NO OVER OBLIGATION OF RVN MASF FUNDS. ADDITIONALLY, REF B INFORMED US OF TOTAL COUNTRY CEILING OF \$1,059.2 MILLION, INCLUDING \$164.9 MILLION FOR AIRCRAFT PROCUREMENT IN FY 74. THIS MESSAGE STATED \$69.3 MILLION F-5A PAYBACK WAS NOT REPEAT NOT TO BE INCLUDED IN EITHER COUNTRY CEILING OR IN \$164.9 MILLION AIRCRAFT PROCUREMENT FOR FY 74. THE FY 74 PROGRAM INCLUDED \$113.6 MILLION FOR 71 F-5E AIRCRAFT, RECORDED AS APPROVED AND FUNDED IN ALL SUBSEQUENT ISSUES OF CINCPAC/DSAA PROGRAM STATUS SUMMARY MATERIAL (S-8). 83 F-5ES WERE FUNDED UNDER PRIOR YEARS.

4. THE PROGRAMMED F-5ES FOR THE RVN HAVE ALL BEEN PAID FOR. THE RVN IS WELL AWARE THAT THIS IS THE CASE. IT IS SIMPLY POLITICALLY IMPOSSIBLE TO GO BACK TO THE RVN, IN VIEW OF THE KICKING AROUND THEY HAVE ALREADY TAKEN THIS YEAR, AND NOW TELL THEM THE AMERICANS CANNOT COUNT VERY WELL AND WE HAVE TO START ALL OVER AGAIN. IN VIEW OF THE INCREASING DELIVERY OF MIG 19S TO HANOI, THEIR MOVEMENT OF THEM TOWARD THE DMZ, THE FACT THAT EXTREMELY COMPETENT SENIOR USAF OFFICERS, INCLUDING GENERAL O'KEEFE, HAVE INFORMED ME THAT THIS PLANE IS NEEDED BY THE RVNAF AND THEY CAN HANDLE THIS FLEET WELL--ALL THESE FACTORS CONVINCE ME, IN ADDITION TO THE POLITICAL FACTORS, THAT OVERALL U.S. INTERESTS REQUIRE THAT WE NOT REPEAT NOT REOPEN ANY QUESTION OF THE DELIVERY OF THE FULL PACKAGE OF 154 MASF F-5ES WITH A PLANNED COMPLEMENT OF 126 F-5ES TO THE RVN BY CY76.

5. IT IS ALSO NOT ACCEPTABLE THAT WE FURTHER DISTORT WHAT IS GOING TO BE A DIFFICULT YEAR BY GIVING ANY THOUGHT TO SHIFTING ANY PART OF THE F-5E COST TO THE FY 75 RVN MASF PROGRAM. THESE HAVE BEEN CONFIDENTIAL

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BOUGHT AND PAID FOR. AND IF THERE ARE FUNDING PROBLEMS IN OTHER PROGRAMS, I AM CONFIDENT THE SUPERB COMPTROLLERS IN THE DOD AND THE SERVICES CAN SOLVE THEM IN THIS CASE AND IN THE FUTURE WITHOUT ANY FURTHER RAIDING OF THE RVN MASF PROGRAM.

6. I WILL ALSO WISH TO DISCUSS WHY IT IS CONTEMPLATED THAT WE CHARGE PCH&T AND ADMIN COSTS OF DAO TO NEW SEPARATE ACCOUNT SINCE THIS IS NOT LEGALLY REQUIRED AND IS, I AM GIVEN TO UNDERSTAND,

NOT WITHIN THE CONGRESSIONAL INTENT. IT IS GOING TO BE A ROUGH YEAR
BUT IT CAN BE THE LAST REALLY ROUGH YEAR IF I CAN COUNT ON YOUR
FULL COOPERATION.

7. I HAVE INSTRUCTED DAO OR DRISTO, WHICHEVER TITLE IS
PREFERRED TO DEFER ANY ACTION REQUESTED IN REF C PENDING FULL
DISCUSSION NEXT WEEK IN WASHINGTON. MARTIN UNQUOTE.
LEHMANN

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